

## **Direct Care Wage Increase**

(FY2022 Appropriation Act - Public Act 87 of 2021)

**March 1, 2022**

**Sec. 231.** (1) *From the funds appropriated in part 1, the department shall provide sufficient funding to increase the wages paid to direct care workers described in subsection (2) by \$2.35 per hour above the rates paid on March 1, 2020 for the current fiscal year.*

(2) *The direct care wage increase shall be provided to direct care workers employed by the department, its contractors, and its subcontractors who received a \$2.00 per hour state-funded wage increase beginning in April 2020. The total combined direct care wage increases from the April 2020 direct care wage increase and the wage increase outlined in this section is \$2.35 per hour and is in effect for the current fiscal year.*

(3) *From the funds appropriated in part 1, the department shall provide sufficient funding to increase the wages paid to direct care workers described in subsections (4), (5), (6), and (7) by \$2.35 per hour above the rates paid on June 1, 2020 for the current fiscal year.*

(4) *A direct care wage increase of \$2.35 per hour shall be provided to direct care workers employed by skilled nursing facilities for the current fiscal year. This funding shall include all costs incurred by the employer, including payroll taxes, due to the \$2.35 per hour increase. As used in this subsection, "direct care workers" means a registered professional nurse, licensed practical nurse, competency-evaluated nursing assistant, and respiratory therapist.*

(5) *A direct care wage increase of \$2.35 per hour shall be provided to direct care workers employed by area agencies on aging and their contractors for in-home and respite services for the current fiscal year. This funding shall include all costs incurred by the employer, including payroll taxes, due to the \$2.35 per hour increase.*

(6) *A direct care wage increase of \$2.35 per hour shall be provided for the current fiscal year to direct care workers employed by licensed adult foster care homes and licensed homes for the aged that provide Medicaid-funded personal care services who were not eligible for any direct care worker pay adjustment under any other subsection of this section. This funding shall include all costs incurred by the employer, including payroll taxes, due to the \$2.35 per hour increase.*

(7) *A direct care wage increase of \$2.35 per hour shall be provided for the current fiscal year to direct support employees and job coaches who work in Medicaid-funded supported employment arrangements and who were not eligible for any direct care worker pay adjustment under any other subsection of this section. This funding shall include all costs incurred by the employer, including payroll taxes, due to the \$2.35 per hour increase.*

(8) *From the funds appropriated in part 1, a direct care wage increase of \$2.00 per hour shall be provided for the current fiscal year to frontline workers employed by private child caring institutions. This funding shall include all costs incurred by the employer,*

including payroll taxes, due to the \$2.00 per hour increase. As used in this section, a “child caring institution” means that term as defined in section 1 of 1973 PA 116, MCL 722.111.

(9) Contractors and subcontractors receiving funding to support these direct care wage increases shall be required to provide documentation of the wage increases provided under this section to the department.

(10) Any payment enhancement above the hourly rate in effect immediately before the wage increase is of no effect in determining any employee’s average compensation as provided by any contract or other provision of law.

(11) A direct care worker may elect to not receive the wage increase provided in this section. The election to not receive the wage increase in this section must be made either in writing or electronically. The employer of a direct care worker who has elected to not receive the wage increase in this section must remit back to this state any of the funds authorized by this section based on the number of direct care workers it employs who have elected to not receive the wage increase authorized by this section.

(12) Contractors and subcontractors receiving funding to support the direct care wage increase under this section shall report to the department by February 1 of the current fiscal year the range of wages paid to direct care workers, including information on the number of direct care workers at each wage level.

**(13) The department shall report the information required to be reported according to subsection (12) to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year. The range of wages paid reported by each contractor or subcontractor receiving funding to support the direct care wages under this section must include a range of direct care workers paid at state minimum wage, and each range thereafter must not exceed \$0.50 increments.**



The Department collected the following data pursuant to Public Act 87 of 2021, Sec. 231 (12). The Department received 1,313 responses from individuals, entities, agencies, and businesses who reported receiving the direct care wage increase specified in Sec. 231. Together, these respondents reported the wages for 60,665 direct care workers.

Below is a table of the number of direct care workers (DCWs) reported by wage range using \$0.50 increments starting at minimum wage of \$9.65 per hour.

# of DCWs paid \$9.65 to \$10.15 per hour	1393
# of DCWs paid \$10.16 - \$10.56 per hour	467
# of DCWs paid \$10.57 - \$11.07 per hour	1264
# of DCWs paid \$11.08 - \$11.58 per hour	990
# of DCWs paid \$11.59 - \$12.09 per hour	2336
# of DCWs paid \$12.10 - \$12.60 per hour	4351
# of DCWs paid \$12.61 - \$13.11 per hour	3204
# of DCWs paid \$13.12 - \$13.62 per hour	4291
# of DCWs paid \$13.63 - \$14.13 per hour	4853
# of DCWs paid \$14.14 - \$14.64 per hour	3843
# of DCWs paid \$14.65 - \$15.15 per hour	3198
# of DCWs paid \$15.16 - \$15.66 per hour	2876
# of DCWs paid \$15.67 - \$16.17 per hour	2264
# of DCWs paid \$16.18 - \$16.68 per hour	2224
# of DCWs paid \$16.69 - \$17.19 per hour	1680
# of DCWs paid \$17.20 - \$17.70 per hour	1987
# of DCWs paid \$17.71 - \$18.21 per hour	1834
# of DCWs paid \$18.22 - \$18.72 per hour	1670
# of DCWs paid \$18.73 - \$19.23 per hour	1076
# of DCWs paid \$19.24 - \$19.74 per hour	1330
# of DCWs paid \$19.75 - \$20.25 per hour	1820
# of DCWs paid \$20.26 - \$20.76 per hour	961
# of DCWs paid \$20.77 - \$21.27 per hour	692
# of DCWs paid \$21.28 - \$21.78 per hour	514
# of DCWs paid \$21.79 - \$22.29 per hour	516
# of DCWs paid \$22.30 - \$22.80 per hour	356
# of DCWs paid \$22.81 - \$23.84 per hour	808*
# of DCWs paid \$23.85 - \$24.35 per hour	219
# of DCWs paid \$24.36 - \$24.86 per hour	200
# of DCWs paid \$24.87 - \$25.37 per hour	172
# of DCWs paid \$25.38 - \$25.88 per hour	101
# of DCWs paid \$25.89 - \$26.39 per hour	293
# of DCWs paid \$26.40 - \$26.90 per hour	130
# of DCWs paid \$26.91 - \$27. 41 per hour	211
# of DCWs paid \$27.42 - \$27.92 per hour	144

# of DCWs paid \$27.93 - \$28.43 per hour	239
# of DCWs paid \$28.44 - \$28.94 per hour	183
# of DCWs paid \$28.95 - \$29.45 per hour	260
# of DCWs paid \$29.46 - \$29.96 per hour	171
# of DCWs paid \$29.97 - \$30.47 per hour	391
# of DCWs paid \$30.48 - \$30.98 per hour	246
# of DCWs paid \$30.99 - \$31.49 per hour	417
# of DCWs paid \$31.50 - \$32.00 per hour	294
# of DCWs paid \$32.01 - \$32.51 per hour	346
# of DCWs paid \$32.52 - \$33.02 per hour	201
# of DCWs paid \$33.03 - \$33.53 per hour	279
# of DCWs paid \$33.54 - \$34.04 per hour	399
# of DCWs paid \$34.05 - \$34.55 per hour	356
# of DCWs paid \$34.56 - \$35.06 per hour	335
# of DCWs paid \$35.07 - \$35.57 per hour	215
# of DCWs paid \$35.58 - \$36.08 per hour	233
# of DCWs paid \$36.09 - \$36.59 per hour	165
# of DCWs paid \$36.60 - \$37.10 per hour	171
# of DCWs paid \$37.11 - \$37.61 per hour	201
# of DCWs paid \$37.62 - \$38.12 per hour	125
# of DCWs paid \$38.13 - \$38.63 per hour	154
# of DCWs paid \$38.64 - \$39.14 per hour	85
# of DCWs paid \$39.15 - \$39.65 per hour	161
# of DCWs paid \$39.65 or more per hour	770

*\*Please note, due to a glitch in the online survey this wage range spans \$1.03 instead of the \$0.50 increment.*

The Department obtained information on the number of direct care workers employed by beneficiaries using the Home Help program from internal sources. Below is a table of the number of direct care workers (DCWs) reported by wage according to that information. There were only two wages paid to DCWs in the Home Help program, \$12.25/hour and \$13.35/hour.

<b>Home Help Individual Providers 202112</b>	
<b>Pay Rate</b>	<b>Count of Provider ID</b>
\$ 12.25	31,105
\$ 13.35	222
<b>Grand Total</b>	<b>31,327</b>